

STATE OF WASHINGTON

DEPARTMENT OF LABOR AND INDUSTRIES

PO Box 44000 • Olympia, Washington 98504-4000

February 13, 2007

Carolyn Crowson, Director Office of Minority & Women's Business Enterprises PO Box 41160 Olympia WA 98504-1160

Subject:

Department of Labor & Industries' OMWBE Plan

Dear Carolyn:

Enclosed please find a copy of the OMWBE plan for achieving annual goals and ensuring that certified businesses are afforded the maximum practicable opportunity to directly and meaningfully participate in our goods and services acquisitions. Please review and return recommendations to:

Cynthia Harris
Assistant Director, Administrative Services
Department of Labor & Industries
PO Box 44001
Olympia WA 98504-4001
Phone: (360) 902-6961
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If you have any questions, please call me at (360) 902-4214 or Cynthia Harris at (360) 902-6961.

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Sincerely,

Judy Schurke
Acting Director

Enclosure

cc: Cynthia Harris, Assistant Director

File

MINORITY AND WOMEN'S BUSINESS ENTERPRISE (M/WBE) PARTICIPATION PLAN

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1. What is the statement of commitment from the Director?

Each L&I employee will be diligent in their efforts to provide certified businesses the maximum practicable opportunity to directly and meaningfully participate in the provision of goods and services.

2. What is the mission of the plan?

To determine and track the total spend with all minority and women owned businesses (certified and self identified) and establish participation goals. If the spend is below the goals, improve opportunities and develop certification outreach programs.

3. What are the goals of the plan?

To encourage all minority and women owned businesses to obtain certification and provide the maximum practicable opportunity to directly and meaningfully participate in the provision of goods and services.

4. What specific measures (strategic approach) will people and divisions take to ensure maximum participation of M/W Firms? Which person(s) will have the authority and responsibility to implement and monitor the plan?

a. Executive(s) (Upper Management)

- i. Job title
 - Assistant Director Administrative Services

ii. Duties and Obligations per the plan

- As the Supplier Diversity Change Agent has authority and responsibility to implement and monitor the plan
- Partner with OMWBE to identify and notify current self-identified service Providers and bidders.
- Publish and distribute department contact information for buyers/contracting officers (e.g., line card handout).

iii. Accountability

 Goal attainment and outreach initiatives will be reviewed at quarterly progress meetings and annual performance reviews

b. Contracting/Procurement Officer(s)

- i. Job title
 - Contract Specialists

ii. Duties and Obligations per the plan

- Consistently use WEBS for all bid opportunities.
- Set aside time to have informational meetings with potential vendor
- Solicit bids from all OMWBE Certified Minority and Women Business Enterprises in each commodity.
- Include OMWBE eligibility Assessment in the Provider Application process. If our Providers meet the eligibility criteria (are owned and controlled by Minority and/or Women) request them to contact OMWBE directly and provide OMWBE with their contact information.
- Communicate the policy and procedures to all relevant staff
- Update MWBE participation plan

iii. Accountability

 Goal attainment will be reviewed at quarterly progress meetings and annual performance reviews.

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 Responsible for establishing a clear organizational vision that results in staff assuming full accountability for acquisitions and contracting for leases, goods and services.

c. Contract Manager(s)

- i. Job title
 - Multiple

ii. Duties and Obligations per the plan

- Break a project into its component elements to determine which of those components may be subcontractable to a certified firm;
- Hold pre-bid conferences when possible, especially whenever there are subcontracting opportunities. Personally invite certified firms to attend the pre-bid conferences. Invite OMWBE to speak at Pre-Bid Meetings.
- Develop specific strategies to meaningfully involve MWBEs on specific projects.
- Solicit bids from all OMWBE Certified Minority and one Women Business Enterprise in each commodity.
- Identify strategic sourcing opportunities (e.g., durable medical equipment) where manufacturer discounts permit maximum distribution participation by M/W Firms.

iii. Accountability

- Established goals will be reviewed in each bid.
- d. Fiscal Technicians (data entry)--- if not done by buyers/contracting officers
 - i. Job title
 - Multiple

ii. Duties and Obligations per the plan

 Enter exception pay flag codes in the "MWBE Pay Flag" field for AFRS appropriated expenditures reporting.

iii. Accountability

- Goal attainment will be reviewed at quarterly progress meetings and annual performance reviews.
- 5. Staff Training Identify who will communicate the policy and procedures to all relevant staff? Identify who will need to be trained and on what topics?

Contract Specialists will communicate relevant outreach policy and procedures to Contract Managers.

The Accounts Payable Unit Manager will communicate relevant policy and procedures for AFRS appropriated expenditures reporting.

- 6. What will procedures be for setting annual goals in contracting, procurement and other expenditures by class of contract?
 - a. Collect historical data on contracting/procurement achievement/opportunities.
 - i. Competition Data

The department uses Washington's Electronic Business Solutions (WEBS) to announce all solicitations and increase opportunities for certified Minority Business Enterprises (MBE), Women's Business Enterprises (WBE), and

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non-certified business participants. WEBS contains a user friendly database of certified firms and allows custom reporting including **competition data** required on goods and services that L&I has the delegated authority to purchase in excess of \$3,000. Qualified M/WBE firms are given an opportunity on each bid for each commodity they sign up for. Goals are dependant on available firms. Annual goals shall be based on compilation of certified firms available for bids in a prior period. OMWBE, GA and L&I will cooperatively work to review bid history and adjust goals for subsequent periods based upon the actual firms available. Goals may be adjusted every year to compensate for change. Adjustments in goals will be completed in the third quarter of each year for the subsequent year.

Other goods and services acquired by the department are on contract from General Administration (GA), Department of Personnel (DOP), The Office of the Attorney General (ATG), Department of Information Services (DIS), etc. **Competition data** is available from each of these agencies.

Develop a plan to identify, enable and enforce periodic review of vendors that are afforded the maximum practicable opportunity to directly and meaningfully participate in direct buy opportunities to enable department purchase card holders to ensure M/W firms are included.

ii. Appropriated Expenditures

The department will continue to report AFRS expenditure data in a manner that allows OMWBE to calculate historical data on **appropriated** expenditures to determine our contracting/procurement achievement/opportunities with certified Minority Business Enterprises (MBE), Women's Business Enterprises (WBE), and non-certified businesses.

iii. Non-Appropriated Expenditures

This is new territory; never before have had we looked at contracting /procurement achievement/opportunities in the **non-appropriated** expenditure data.

The department initiated, September 29, 2006, efficient collection and reporting of **non-appropriated** expenditure data in a manner that allows OMWBE to calculate historical data on **non-appropriated** expenditures to determine our contracting/procurement achievement/opportunities with certified Minority Business Enterprises (MBE), Women's Business Enterprises (WBE), and non-certified businesses.

The services required to accomplish this task include a MIPS (Insurance Services) and MIPC (Crime Victims) expenditure extract with dollar amount, tax ids (Soc Security or Fed ID number), payment date and vendor names. OMWBE will compare our data extract against their list of certified firms. A second and subsequent extract and the detail of on-going extracts are dependent on the 2005 findings [Reference: L&I Service Request Nos. 2500–139863 (2005) and 2500–146495 (FY 06)],

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b. Compile the data and create a baseline.

A baseline for department expenditures is dependent on OMWBE's FY 06 combined findings of non-appropriated and appropriated expenditure data and availability of certified Minority Business Enterprises (MBE), Women's Business Enterprises (WBE), and non-certified businesses registered Washington's Electronic Business Solutions (WEBS).

c. Forecast goals (based upon real opportunities) pursuant to Chapter 39.19.

Based on the attached December 2006 analysis of certified firms available to agencies in Washington's Electronic Business Solutions (WEBS) the department established 5% annual procurement goals for MBE and 6% for WBE:

An update to the department's forecast of annual goals is dependent on the combined findings of **appropriated** and **non-appropriated** expenditure data and the availability of eligible certified Minority Business Enterprises (MBE), Women's Business Enterprises (WBE), and non-certified **Providers**¹.

d. Identify whether M/W Firms are available.

i. Non-Appropriated Expenditures

This is new territory; never before have we looked at availability of certified Minority Business Enterprises (MBE), Women's Business Enterprises (WBE), and non-certified **Provider's**.

Initiate efficient collection and reporting of MIPS (Insurance Services) and MIPC (Crime Victims) **Provider** data in a manner that allows OMWBE to calculate availability of certified Minority Business Enterprises (MBE), Women's Business Enterprises (WBE), and non-certified **Providers** by class of service (e.g., Professional Service, Purchased Goods, Purchased Service, etc.).

The services required to accomplish this task include a MIPS (Insurance Services) and MIPC (Crime Victims) extract with a class identifier (TBD²), tax ids (Soc Security or Fed ID number) and vendor names. OMWBE will compare our data extract against their list of certified firms. Initiation of his **Provider** data extract and the detail of on-going extracts are dependent on the OMWBE findings on the FY 06 **non-appropriated** expenditure data extract.

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7. What will procedure be for setting individual contract goals? (See WAC 326-30-046)

The highest achievable goal is assigned to each individual contract based on a thorough analysis of certified firms available.

Professional services and goods.

¹ Businesses who choose to become a service Provider to L&I clients must complete a <u>Provider Application</u>

[•] Provider Application url: (http://www.lni.wa.gov/Forms/pdf/248011a0.pdf).

^{• &}quot;Becoming a Provider" url: http://www.lni.wa.gov/ClaimsIns/Providers/Become/default.asp
² 11/01/2006 – It is unknown at this time if L&I Providers are identified as providers of Purchased vs.

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Each contract requires the contractor to represent the state's interest in goal attainment and MWBE participation. Proposal specifications require the bidders to list their intended MBEs and WBEs.

Once a contract is signed, the department will hold the contractor to its provisions. Substitution of MWBEs are to be avoided. Existing contracts will be extended only if contractual MWBE commitments are being met, and the contractor re-commits to meeting the goals during the extension.

a. Determine available firms

Recently, GA implemented Washington's Electronic Business Solutions (WEBS), a new automated purchasing process. The department uses WEBS to announce all solicitations and increase opportunities for certified Minority Business Enterprises (MBE), Women's Business Enterprises (WBE), and non-certified business participants. Qualified M/WBE firms are given an opportunity on each bid for each commodity they sign up for.

Washington's Electronic Business Solutions (WEBS) contains a user friendly database of certified firms and allows custom reporting including

- firms that could bid as a prime contractor;
- agency's success in meeting goals in the past on similar opportunities;
- an opportunity for M/W firms to provide products/services that they have not done previously;
- 8. How will the department monitor and ensure compliance by prime contractors and other vendors in their relationships with subcontractors, e.g., prompt payment; follow-up with prime to ensure subcontractor payment has actually been made?

a. Prevailing Wage Data

This is new territory; never before have we looked at prevailing wage compliance in the workforce to determine contracting/procurement achievement/opportunities with certified Minority Business Enterprises (MBE), Women's Business Enterprises (WBE), and non-certified businesses

The department will initiate efficient collection and reporting of data regarding prevailing wage compliance in the workforce as reported by contractors, to assist with OMWBE's customization of a database to determine contracting/procurement achievement/opportunities with certified Minority Business Enterprises (MBE), Women's Business Enterprises (WBE), and non-certified businesses.

The initial data transfer will be used in a research study to improve the process for setting annual participation goals as mandated by statute. Subsequent data transfers will be used on an ongoing basis for statistical analyses and reports, and trend analysis.

9. How will the department capture and report to OMWBE the subcontractor (tier 2) information?

The department will initiate efficient collection and reporting of contract data and work with the purchase card vendor to initiate an electronic process to collect purchase card data in a manner that allows OMWBE to collect subcontractor (tier 2) information.

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10. How will the department maintain records of contract awards, purchase orders and other expenditures?

The department maintains expenditure data on OFM's AFRS systems, L&I's MIPS (Insurance Services) system and L&I's MIPC (Crime Victims) system.

11. How will the department monitor and ensure accuracy in reporting expenditures to OMWBE?

Managers and supervisors at all levels are responsible for ensuring that their staff understands the impact of data entry on the calculation of the department's M/W utilization statistics.

12. How will the department resolve disputes and investigate complaints?

The department responds immediately to complaints forwarded to L&I for resolution concerning a specific acquisition of a good or service. L&I seeks guidance and technical assistance from OMWBE. Complaints received by the department concerning M/WBEs are shared with OMWBE.

13. How will the department review and revise its contracting and procurement documents, policies, and practices which hinder or create barriers to successful implementation of the plan?

Vendors must provide a plan for dealing with levels of high client demand beyond that which is forecasted.

Unsuccessful Bidders are afforded a debriefing conference. Discussion is limited to a critique of the requesting bidder's response.

A minimum of three evaluators should be used to score proposals to ensure a variety of disciplinary skills and abilities are represented. If fewer than three are used to score Personal Service proposals, the RFQQ Coordinator must document why.

Timeline

NOTE: WAC 326-30-030 Procedures for Setting Overall Annual Goals is in the process of being amended to provide that each state agency and educational institution will collaborate with OMWBE to establish its specific overall annual goal(s). OMWBE will continue to establish the annual goal for the state overall.

	Target	Tasks	Status	Date Completed
		Notification		
L&I	1/1/05	Post all L&I solicitations on Washington's Electronic Business Solutions (WEBS)	Complete	1/1/05
		Expenditure Data		
L&I	10/1/06	Collection and reporting of 2005 non- appropriated expenditure data	Complete	9/29/06

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	Target	Tasks	Status	Date Completed
OMWBE	1/1/07	2.a. Calculate historical data on 2005 non- appropriated expenditures	Complete	12/12/06
L&I	3/1/07	b. Collection and reporting of 2006 non- appropriated expenditure data	Complete	12/18/06
OMWBE	6/30/07	2.c. Calculate historical data on 2006 non- appropriated expenditures	Complete	12/19/06
L&I	9/30/07	d. Collection and reporting of 2007 non- appropriated quarterly expenditure data	On-going	
OMWBE	12/1/07	2.e. Calculate historical data on 2007 non- appropriated quarterly expenditures	Pending collection	
		Outreach		
L&I	1/30/07	Develop a process for determining MWBE goal for each bid using vendor data in WEBS	Complete	1/18/07
GA	TBD	3.a. Develop a plan and cost estimate for statewide expansion	Pending	
L&I	2/30/07	Develop a process for annualizing MWBE goals based historical buys	Complete	1/18/07
GA		4.a. Develop a plan and cost estimate for statewide expansion	Pending	
L&I	9/30/07	5. Collection and reporting of Provider data	Pending 2006 Expenditure Calculations	
OMWBE	4/1/07	5.a. Calculate availability of certified Minority Business Enterprises (MBE), Women's Business Enterprises (WBE) and non-certified Providers by class of service	Pending	-
L&I	9/30/07	5.b. Update forecast of annual goals	Pending 2007 Expenditure Calculations & Provider Availability	
L&I	3/31/07	6. Develop a plan to identify, enable and enforce periodic review of vendors that are afforded the maximum practicable opportunity to directly and meaningfully participate in direct buy opportunities to enable department purchase card holders to ensure M/W firms are included.	Pending	
L&I		6.b. Distribute tools to card holders	Pending	i
_&I		6.c. Implement monitoring	Pending	

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	Target	Tasks	Status	Date Completed
		Compliance		
L&I	TBD	7. Collection and reporting of data regarding prevailing wage compliance in the workforce as reported by contractors	Pending System and Agreement Approval	
OMWBE	TBD	7.a. Customization of a database to determine contracting/procurement achievement/opportunities with certified Minority Business Enterprises (MBE), Women's Business Enterprises (WBE), and non-certified businesses	Pending	
		Subcontractor (tier 2) Information		
OMWBE	TBD	Review L&I contract and purchase card data systems to identify fields for collection and transfer	Pending	
L&I	TBD	8.a. Collection and reporting of contract data and work with purchase card vendor for an electronic collection of purchase card data for compilation.	Pending	